



MELISA TRY HATMANTI/USAID EGSA

ECONOMIC GROWTH SUPPORT ACTIVITY (EGSA) ANNUAL REPORT FY 2021

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Economic Growth Support Activity (EGSA)

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ACRONYMS

AMELP	Activity Monitoring, Evaluation, and Learning Plan
APBD	Local Government Budget
APBN	State Budget (<i>Anggaran Penerimaan dan Belanja Negara</i>)
Bapenda	Regional Revenue Agency (<i>Badan Pendapatan Daerah</i>)
Bappenas	Ministry of Development Planning/National Planning Agency (<i>Badan Perencanaan Pembangunan Nasional</i>)
BEE	Business-Enabling Environment
BKPM	Ministry of Investment
BNSP	National Professional Certification Agency
BPOM	Food and Drug Administration
CBA	Cost-Benefit Analysis
CDCS	Country Development Cooperation Strategy
CGE	Computational General Equilibrium
CMEA	Coordinating Ministry for Economic Affairs
COP	Chief of Party
COR	Contracting Officer's Representative
DG	Director or Directorate General
DO	Development Objective
DRM	Domestic Resource Mobilization
EG	Economic Growth
EGSA	Economic Growth Support Activity
EoDB	Ease of Doing Business
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FPA	Fiscal Policy Agency, Ministry of Finance
FRA	Fiscal Risk Analysis
GOI	Government of Indonesia
GRB	Gender-Responsive Budgeting
IPS	Indo-Pacific Strategy
IR	Intermediate Result
IRIO	Inter-Regional Input-Output
IT	Information Technology
J2SR	Journey to Self-Reliance
JFPK	Cooperatives Oversight Functional Position (<i>Jabatan Fungsional Pengawas Koperasi</i>)

KSP	Savings and Loan Cooperative (<i>Koperasi Simpan Pinjam</i>)
MOF	Ministry of Finance (<i>Kementerian Keuangan</i>)
MSME	Micro, Small, and Medium Enterprises
NGO	Non-Governmental Organizations
NLE	National Logistic Ecosystem
NTM	Non-Tariff Measures
OJK	Financial Service Authority
OSR	Own Source Revenue
OSS	Online Single Submission
PEN	National Economic Recovery Program (<i>Pemulihan Ekonomi Nasional</i>)
PFM	Public Financial Management
PLUT-UMKM	Centers for Integrated Support to MSME (<i>Pusat Layanan Usaha Terpadu UMKM</i>)
PMP	Performance Monitoring Plan
PPD	Public-Private Discussion
PPP-AP	Public-Private Partnership-Availability Payment
PY	Project Year
QRIS	Quick Response Code Indonesian Standard
RIA	Regulatory Impact Assessment
RKP	GOI Annual Workplan (<i>Rencana Kerja Pemerintah</i>)
RPJMN	National Medium-Term Development Plan (<i>Rencana Pembangunan Jangka Menengah Nasional</i>)
SAM	System for Award Management
SAPER	<i>Sistem Analisis dan Peramalan Ekonomi Makro</i>
Sislognas	National Logistics System
SME	Small and Medium Enterprises
SNG	Sub-National Government
STTA	Short-Term Technical Assistance (or Advisor)
USAID	United States Agency for International Development
USG	U.S. Government
WEF	World Economic Forum

SUMMARY OF PROJECT OBJECTIVES, STRATEGY, AND RESULTS

In the second year of its implementation, the Economic Growth Support Activity (EGSA) experienced significant progress in achieving its objectives. EGSA maintained an effective partnership with the Government of Indonesia's (GOI's) leading agencies in public financial management (PFM) and business enabling environment (BEE), built engagement with two USAID/Indonesia priority provinces, delivered ambitious work programming of 25 PFM and BEE activities, designed activities to leverage its previous policy recommendations into implementation, contributed to the GOI's effort to accelerate economic recovery, informed U.S. Agency on International Development (USAID) economic growth (EG) programming, continued to update USAID and U.S. Government (USG) agencies on the impact of COVID-19 to the economy, gained media recognition for its programming, and managed to conduct and complete activities despite the increasing constraints presented by the COVID-19 pandemic. EGSA built on engagements created in the first year of implementation and increased support to 4 GOI ministries and 2 provincial government to work towards EGSA's two objectives.

EGSA has informed USAID programming in the EG sector in three ways. First, EGSA identified and recommended EG areas that could benefit from USAID support and that align with the GOI's priorities, the USAID/Indonesia's Country Development Cooperation Strategy (CDCS), and USG's EG policies. EGSA derived these recommendations from its analysis on the gap between donor support and the GOI's demand, as well from the possible expansion of EGSA's work beyond EGSA's end date. Second, EGSA conducted a rapid assessment on opportunities for USAID blended financing interventions to support development activities in Indonesia. Lastly, EGSA continued to periodically update USG on the COVID-19 pandemic's impact on the Indonesian economy. This monitoring focuses on the financial sector; GOI finances; food security; micro, small, and medium enterprises (MSMEs); industry; trade; and investment. The update also monitors economic development in USAID's eight priority provinces.

Because of EGSA's assistance with cost-benefit analysis (CBA) and fiscal risk analysis (FRA), the GOI's budget execution and planning capacities have increased. EGSA created a manual on using CBA to evaluate the effectiveness of the government's budget against its development objectives (DOs), which has been adopted by the Ministry of Finance (MOF) Directorate General (DG) Budget to evaluate five government programs. MOF will incorporate CBA as the budget evaluation method in the next MOF Decree on government budget evaluations. EGSA's assistance on FRA increased MOF's awareness of the fiscal risks of certain budget decisions, such as debt and infrastructure financing. This technical assistance is timely as Indonesia could face long-term consequences from the unmitigated fiscal risks of increasing external debts.

In addition, EGSA strengthened the GOI's economic planning capacity by developing a system of models to forecast provincial EG. This is the first model at the Ministry of Development Planning (Bappenas) that incorporates province-specific economic characteristics into growth simulations. Bappenas promoted the use of the EGSA-built model, called the *Sistem Analisis dan Peramalan Ekonomi Makro* (SAPER), to provincial planners and initiated a regional macroeconomic forum to encourage the model's adoption. EGSA also supported the IndoTERM Computable General Equilibrium (CGE) model update to incorporate the latest input-output table and inter-regional input-output (IRIO) table, enabling regional inter-connection analysis and simulating the long-term impacts of policies or external shocks to the economy.

Fiscal decentralization reform is one of the most important reforms in Indonesia. Since its implementation in January 2001, the GOI has allocated substantial resources to sub-national

governments (SNGs) through various intergovernmental transfer schemes to support decentralized service delivery. EGSA collaborated with the MOF Fiscal Policy Agency (FPA) to conduct a comprehensive review of two decades of fiscal decentralization implementation in Indonesia, mainly to review the effectiveness of central government funding in improving the quality of public service at the SNG level. This review will be published as one of MOF FPA's key output this year and gained the attention of MOF leadership.

EGSA contributed to the GOI's effort to improve gender equality by helping the GOI develop tools to monitor the implementation of gender-responsive budgeting (GRB) within GOI agencies. Various assessments showed that Indonesia has adequate regulatory framework on GRB and identified good practices in several ministries. However, the current system is inadequate in monitoring and evaluating compliance, leading to less than a full implementation of these good practices. Over time, improvements in the ministries' compliance will lead to improvements in gender equality and in the GOI's Gender Gap Index (the measurement of gender equality based on relative gaps between men and women across the key areas of health, education, economy, and politics). EGSA's tools will inform Bappenas in preparing the Presidential Regulation on Mainstreaming GRB for Government Budget.

EGSA also strengthened the capacity of the South Sulawesi Regional Revenue Agency (Bapenda) to assess its own source revenue (OSR) policies, forecast revenue collection, and facilitate upcoming collaborative discussions with short- and medium-term recommendations. The recommendations respond to the declining local revenues from the economic downturn and the GOI's policies to accelerate local economic recovery. Some of EGSA's recommendations have been implemented by Bapenda South Sulawesi, among others. Recommendations expand payment gateways by applying the Quick Response Code Indonesian Standard (QRIS) for payment of local taxes and fees, waiving late payment penalties, and strengthening Bapenda's human resources, especially enforcement agents and bill collectors.

Through EGSA, USAID/Indonesia also contributed to the GOI's effort to accelerate economic recovery by participating in a budget policy task force for a MSME stimulus. In August 2020, MOF DG Budget asked EGSA to provide rapid analysis on the impact of the COVID-19 pandemic to MSMEs and the effectiveness of the government stimulus on MSMEs' survival. EGSA reported the analysis to the Expert Staff to the Minister of Finance, which brought USAID's contributions to the attention of high-level MOF officials. The MOF requested follow-up support to identify MSME sectors with the highest potential to leverage government support to sectoral growth.

A key area of EGSA's intervention is strengthening the GOI's capacity to support savings and loan cooperatives. The savings and loan cooperatives play an important role in supporting MSMEs' development in Indonesia, as they provide financing to individuals/businesses that may not be considered bankable by conventional banking standard. In this reporting period, EGSA conducted capacity building and assessments to implement recommendations derived in its previous study on cooperatives. EGSA built the capacity of the Ministry of Cooperatives' staff to conduct effective cooperative oversight, conducted a study to identify supporting factors for cooperative modernization, and designed tools to determine the cooperative's readiness to adopt information technology (IT)-based solutions. These supports will contribute to the achievement of the GOI's target of 500 modern cooperatives by 2024 as mandated in the National Medium-Term Development Plan (RPJMN) 2020–2024.

EGSA also contributed to the GOI's efforts to ensure MSMEs' survival and growth despite the challenges presented by the COVID-19 pandemic. One of solutions to MSMEs' survival is to

participate in the digital economy. EGSA strengthened the capacity of field facilitators at the Center for Integrated Services for MSMEs (PLUT-UMKM) in East Java and South Sulawesi to provide effective assistance to MSMEs, especially on digital economy participation, business development, and access to finance.

In addition, the government has been pushing reforms to ease doing business by enacting the Job Creation Law (Omnibus Law), which applies a risk-based approach for accelerating business registration. MSMEs often consider registering a hassle due to the complicated process and data requirements. The Ministry of Cooperatives requested EGSA's support to design a structure of data requirements that is simple yet comprehensive enough to provide information on a business' character and risk profile. EGSA has presented a design that received good reviews from the Ministry of Cooperatives and other GOI agencies. EGSA also performed a diagnostic on doing business-related services at the sub-national level, especially registering a business and obtaining construction permit, and found a mismatch between central government and SNG policies and systems that contribute to permit-issuance delays.

EGSA also contributed to the GOI's effort to improve trade competitiveness. EGSA supported the Coordinating Ministry for Economic Affairs (CMEA) in its effort to streamline non-tariff measures (NTMs) on select food input commodities, namely sugar, salt, wheat flour, and milk, that affected the competitiveness of Indonesia's food products. EGSA found that each of the products have different challenges due to the overlap in regulations set by different GOI agencies and to outdated regulations, among others. CMEA will use the study's result to motivate inter-agency coordination to reduce the overlapping and excessive NTMs in food commodities. EGSA also supported CMEA to find solutions to increase the efficiency and efficacy of the National Logistic System 2021–2024, which was created in 2012 as a blueprint to achieve an efficient logistic system by 2025. EGSA identified key drivers of efficient logistic systems in Indonesia and created a roadmap action plan for effective application of the National Logistic System.

In this reporting period, EGSA exceeded some of its performance targets. EGSA conducted 30 joint activities with the GOI; proposed 28 new regulations/methods to the GOI; engaged with 9 GOI agencies; trained 182 people, 71 of which are women; and expended 375 days of staff and consultant hours to promote microenterprise development. However, the mismatch between USAID's reporting period (ending September 30, 2021) and EGSA's workplan period (ending October 31, 2021, to accommodate the project's initial closing date) caused some performance indicators to underachieve, as activities were not completed by September 30. By the end of the reporting period, most of EGSA's technical work has been completed and submitted for review to counterparts, pending the GOI's review and/or the availability for dissemination, workshop, or training. EGSA is optimistic that activities will be completed in a timely manner and included in the next reporting period.

EGSA hired 4 full-time staff and 65 short-term technical assistance (STTA) consultants to implement activities within the EGSA's two objectives. Despite the ongoing international travel restrictions, EGSA was able to hire international talents who worked effectively through remote arrangements with national experts. Lastly, EGSA received its project extension in July 2021, which extended the project's closing date from October 2021 to October 2022.

ACTIVITY DESCRIPTION

Period of performance: November 1, 2020–September 30, 2021

The Economic Growth Support Activity (EGSA, or the Project), implemented by DevTech Systems, Inc., aims to assist the U.S. Agency for International Development (USAID) to re-engage in economic growth (EG) programming in Indonesia. Entering its third year, EGSA has successfully represented USAID by engaging with the Government of Indonesia (GOI) on the EG sector through close collaboration in strengthening the GOI's capacity in effective tax collection, improving budget execution, and improving the business-enabling environment (BEE). EGSA was originally planned to be implemented over two years through October 2021, with the possibility of a one-year project extension. In July 2021, USAID awarded the extension; therefore, EGSA will be implemented through October 2022.

Technical activity is organized into three components, or program objectives, as follows:

Objective I enables evidence-based decision-making through ongoing analysis, research, and assessments that link the U.S. Government's (USG) objectives in its Indo-Pacific Strategy (IPS) and Journey to Self-Reliance (J2SR) framework, along with the GOI's development plan priorities. In November 2020, USAID/Indonesia launched its Country Development Cooperation Strategy (CDCS) 2020–2025, which reduces the requirements for EGSA under Objective I to provide analysis to identify priority areas within EG for the CDCS. Consequently, since April 2021, all EGSA activities support the public financial management (PFM) and BEE focus of Objectives II and III, respectively.

Objective II improves the GOI's technical capacity in tax collection, public expenditure management, and financial accountability, with the goal of improved PFM systems and financial sustainability. EGSA's technical assistance advances the GOI's fiscal reform agenda.

Objective III strengthens the BEE for foreign and domestic businesses. EGSA's assistance investigates existing challenges facing the private sector, including the cost of doing business, accessing energy and infrastructure, tax treatment, regulatory framework, and impediments to competitiveness and growth.

Strategy. To achieve the objectives of the project, EGSA built on rigorous donor-and-demand mapping exercises produced in project year (PY) I to identify potential engagement areas that would help address identified economic issues and take advantage of potential growth opportunities. The team is focusing on building traction for reform by deepening its assistance to strategic GOI agencies. In formulating its work program, EGSA considered the GOI's priorities, USG's strategies, international donor presence, and the potential of leveraging EGSA's previous policy recommendations to implementation. In parallel, EGSA moves to provide demand-driven support to its counterparts whenever possible and necessary.

Outputs. EGSA made significant progress during the reporting period. Among other initiatives, EGSA:

1. Continued to produce bi-weekly economic monitoring to inform USAID and other USG agencies on the impact of the COVID-19 pandemic to the Indonesian economy as well as to monitor recent economic development at the national level and in USAID's eight priority provinces.
2. Completed a rapid assessment on blended financing in Indonesia to inform USAID programming in the sector. The assessment provided basic information on blended financing

- in Indonesia and identified possible interventions to support development activities, key stakeholders, and economic sectors or subsectors for potential USAID interventions.
3. Submitted to USAID a list of five project concepts recommended for USAID's future engagement in EG. These concepts took a programmatic approach to address concerns in EG development, consistent with USAID/Indonesia's current CDCS; are relatively large (\$10–15 million); and are multi-annual.
 4. Developed the first regional macroeconomic forecasting model for Bappenas and trained 35 Bappenas planners to use the model. Bappenas has launched the model, named the *Sistem Analisis dan Peramalan Ekonomi Makro (SAPER)*, to provincial planners from all over Indonesia and initiated the establishment of the provincial forum for regional macroeconomic development planning.
 5. Delivered technical assistance on cost-benefit analysis (CBA) and produced a CBA manual for conducting budget performance evaluation for the Ministry of Finance (MOF) Directorate General (DG) Budget. The technical assistance also provided training for 30 DG Budget staff. The DG Budget uses CBA as a tool for evaluating non-regular budget performance methods and will integrate CBA into the MOF Regulation on evaluating budget performance for ministries/agencies.
 6. Assisted the MOF DG Budget's Task Force for Budget Reform with rapid analysis on the effectiveness of the government stimulus to micro, small, and medium enterprises (MSMEs) in support of the National Economic Recovery (PEN) Program. EGSA's analysis and policy recommendations were well received, and MOF requested follow-up assistance to identify MSME sectors with the highest probability to leverage government support for sector growth.
 7. Strengthened the capacity of 35 staff of the South Sulawesi's Regional Revenue Agency (Bapenda) to conduct policy assessment and revenue forecasting in an effort to strengthen their revenue policy. Some recommendations from this activity have been implemented by Bapenda South Sulawesi, namely recommendations related to paying local taxes and levies more easily and strengthening the capacity of field tax assessors.
 8. Produced an economic model to improve fiscal sustainability and debt risk analysis and strengthen state budget (APBN) preparation. At the end of this reporting period, the model and its manual were in the last stage of review by the MOF DG Budget and are expected to be completed by November 2021.
 9. Conducted a comprehensive review of fiscal decentralization implementation in Indonesia in collaboration with the MOF Fiscal Policy Agency (FPA). This review is crucial to measure the effectiveness of budget allocations and PFM policies during the two decades of fiscal decentralization reform and will inform future policy formulation on intergovernmental fiscal relations.
 10. Prepared tools to monitor the implementation of gender-responsive principles on the GOI agencies' budget and to measure their contribution in improving Indonesia's Gender Gap Index. The tools will inform the preparation of the Presidential Regulation on National Strategy on Acceleration of Gender Mainstreaming in Indonesia, which is currently being drafted by Bappenas.
 11. Updated the IndoTERM model, a large inter-regional Computable General Equilibrium (CGE) model of Indonesia, to incorporate the latest input-output and Indonesia's inter-regional input-output (IRIO) database and establish scenario simulations to capture current phenomena, such as the impact of the global pandemic to the domestic economy, and to provide short-term and long-term policy analysis. The activity is expected to be completed by the end of 2021.

12. Conducted a study on the impact of the COVID-19 pandemic on saving and loan cooperatives to inform the Ministry of Cooperatives' and small and medium enterprises' (SMEs') policy formulation to support the survival of savings and loan cooperatives.
13. Provided the Ministry of Cooperatives with regulatory impact assessment (RIA) training to build its capacity to analyze current policy on MSMEs, evaluate the MSME program in economic sectors affected by the COVID-19 pandemic, and analyze the National Economic Recovery Program (PEN) managed by the Ministry.
14. Built the capacity of national and sub-national Cooperative Overseers on assessing the soundness of cooperative operation and cooperative credit risk management. Trainings were delivered to 38 Cooperative Overseers, and the Ministry will replicate the trainings beyond EGSA's assistance.
15. Conducted a study to support cooperative modernization. The study resulted in policy recommendations for cooperatives to accelerate modernizing business operation practices and adopting information technology (IT)-based tools and standards to support digital transformation.
16. Provided capacity building on the digital economy, access to finance, and business development to 38 field facilitators at the Center of Integrated Business Service for MSMEs (PLUT-UMKM) in East Java and South Sulawesi to enable them to effectively advise MSMEs on how to participate in the digital economy.
17. Conducted a series of public-private discussions (PPDs) on MSME participation in the seaweed and fisheries supply chains in South Sulawesi. EGSA's communication protocol and policy recommendations will inform South Sulawesi's Department of Cooperatives to continue public-private consultation to optimize MSME participation in the sectors and gather input for business-friendly policies in seaweed and fisheries.
18. Designed the MSME individual data required for MSME business registration that is comprehensive yet simple to complete, as MSMEs often could not complete their business registration process due to complicated data requirements. EGSA combined the design data activity with developing a roadmap to support national and local government readiness on risk-based approach application for MSME registration and formalization.
19. Conducted a diagnostic of doing business-related services at the sub-national level, namely registering a business and obtaining a construction permit, to inform GOI policy formulation to improve Indonesia's doing-business performance.
20. Completed an analysis and policy recommendations to support the Coordinating Ministry of Economic Affairs (CMEA) to streamline non-tariff measures (NTMs) on input commodities and improve the competitiveness of food products.
21. Conducted an analysis to support the CMEA's policy formulation to accelerate implementing the National Logistic System. EGSA has delivered a draft analysis and logistic optimization model on select commodities for CMEA's review. EGSA produced an additional policy brief, as requested by CMEA, to highlight the various improvements needed in the National Logistic System.

OVERVIEW OF PROGRESS ACHIEVED

This section summarizes the achievement and challenges to implementation across EGSA objectives during PY2. Each activity's detailed progress against the workplan is presented in Annex I.

During this period, EGSA implemented two semi-annual workplans: the Second Semi-Annual Workplan, which covers the period of October 2020–March 2021, and the Third Semi-Annual Workplan, which covers the period of April–October 2021. The Third Semi-Annual Workplan was designed to cover EGSA activities until the contractual end date of October 31, 2021, which includes

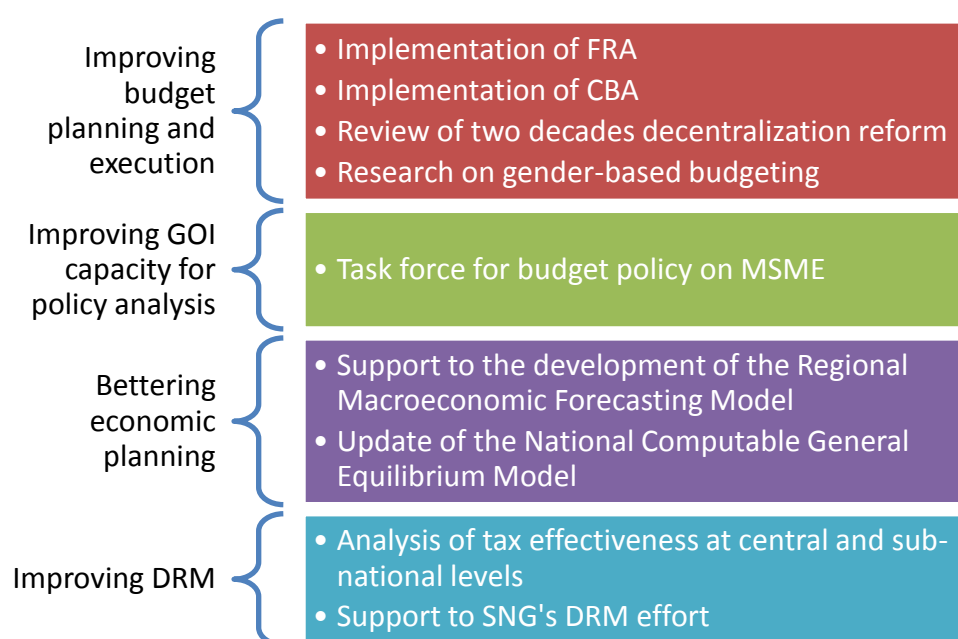
project closure activities. As USAID announced the contract extension in July 2021, EGSA optimized the remaining time in the Third Semi-Annual Workplan to strengthen its technical activities and added a selected set of new high-impact activities. Therefore, the status of some EGSA interventions and activities by the end of this reporting period are “in progress,” as they are planned to be completed by October 31, 2021.

Similarly, the mismatch between EGSA’s planning period versus USAID’s reporting schedule also affected the achievement of EGSA’s performance indicators, as the activities are incomplete at the time of reporting and results can only be counted in the next reporting period. This Annual Report presents achievements from the completed activities as well as progress to achieve results expected from the Third Semi-Annual Workplan.

OBJECTIVE II: PFM

The work implemented under the PFM objective in this reporting period focused on: i) improving budget planning and execution, ii) improving domestic revenue mobilization (DRM), iii) bettering economic planning, and iv) improving GOI capacity for policy analysis. This will contribute to the overall USAID Development Objective (DO) 2 on Inclusive Economic Growth Increased by laying foundation to address challenges in planning and financing to support national economic recovery.

Figure 1. PFM activities October 2020–September 2021



The following are highlights from EGSA’s achievements under the PFM objective:

- **Continued effective partnerships with the GOI-leading agencies on PFM.**

In this reporting period, EGSA continues its support and collaboration with the following agencies:

- I. MOF DG Budget: Directorate of Budget System, Directorate of State Budget Preparation

2. MOF Fiscal Policy Agency (FPA)
3. Bappenas Deputy Economy: Directorate of Macroeconomic and Statistical Analysis, Directorate of State Finance and Monetary Analysis

The partnerships are reflected by counterparts' acknowledgement, commitment, and buy-in to EGSA's initiatives.

EGSA's support to the DG Budget's Task Force for Budget Policy for the MSME stimulus was acknowledged by DG Budget and Expert Staff to the Minister of Finance on Government Expenditure for its quality research and policy recommendations, which set EGSA apart from other donor-supported MOF-created task forces responding to challenges presented by the COVID-19 pandemic. Meanwhile, MOF FPA shows its commitment and collaboration in the production of the Review of Two Decades Fiscal Decentralization Reform by conducting and funding several focus group discussions (FGDs) to review the report by chapter and disseminate findings to greater GOI stakeholders for their input and buy-in. Similarly, Bappenas also shows its collaboration and support to EGSA initiatives by actively participating in economic model development and promoting collaboration with high-level Bappenas officials.

- **Strengthened MOF's capacity in budget planning and evaluation through technical assistances in CBA and FRA.** After EGSA successfully delivered CBA training in September 2020, MOF DG Budget requested follow-up assistance to implement the CBA principle to strengthen budget evaluation. The capacity building on CBA was timely, as MOF leadership has emphasized the concept of "value for money," where public spending performance is measured against its development objectives (DOs). The CBA provides an alternative for DG Budget to evaluate budget performance, as MOF mostly relied on a qualitative method for budget evaluation. EGSA provided DG Budget with a manual to conduct an evaluation of non-routine program expenditures and hands-on training for 20 DG Budget staff (7 female and 13 male participants) to conduct the evaluation. This activity was completed in February 2021. DG Budget informed EGSA that the usage of the CBA method will be incorporated into the upcoming MOF regulation on budget evaluation.

EGSA introduced the FRA concept to DG Budget through a workshop in September 2020 to answer DG Budget's need for a method to conduct sensitivity analysis of the state budget (APBN). After the initial workshop, EGSA consulted with DG Budget to narrow down specific FRA topics on which to focus. In March 2021, EGSA built the capacity of DG Budget to anticipate and manage fiscal risks associated with debt and infrastructure financing, in particular the expenditure in public-private partnership availability payment (PPP-AP). This capacity building is highly relevant as government finances have been greatly affected by the COVID-19 pandemic and the GOI has been borrowing funds to close the budget deficit. However, this borrowing present risks to Indonesia's short-, medium-, and long-term fiscal sustainability. By September 30, EGSA experts had built an econometric model to simulate fiscal risks from debt and were working on improving the user-friendly interface for the model, preparing manuals for debt and infrastructure finance analysis, and preparing a workshop for both topics. The economic model and manuals are scheduled for completion by the end of October 2021, followed by a workshop in November 2021.

- **Supported the National Economic Recovery Program through participation in the Task Force for Budget Reform on MSME and raised the awareness of USAID programming to a high-level MOF official.** In September 2020, MOF initiated several task forces to provide

rapid analysis and policy recommendations to respond to budget challenges presented by COVID-19 and support the government's effort to accelerate economic recovery. MOF invited donor participation to support a specific topic, and EGSA committed to support the budget analysis for the MSME stimulus. In January 2021, EGSA presented to the Expert Staff to the Minister of Finance on Government Expenditure its first analysis that outlined the impact of the COVID-19 pandemic to MSMEs, identified business sectors affected the most by the pandemic, and assessed the effectiveness of PEN-funded stimulus for MSMEs. The Expert Staff to the Minister of Finance then requested EGSA's continuous assistance to identify MSME sectors with the highest potential to leverage government support to sectoral growth.

By the end of September 2021, EGSA has produced and presented a report on: (i) the identification and mapping of obstacles in expanding the MSME supply chain before and during the pandemic, (ii) an analysis of MSMEs' participation in production and distribution networks, and (iii) an analysis of forward and backward linkages of sectors in Indonesia's economy and the multiplier impacts in leading sectors in 33 provinces. The study and policy recommendations were well received by DG Budget leadership and will inform budget policy for the MSME stimulus to support economic recovery.

- **Strengthened GOI capacity for macroeconomic planning and forecasting.** EGSA supported Bappenas by developing two economic models to enhance policy and planning formulation at the national and regional levels. EGSA delivered a regional macroeconomic forecasting model called the SAPER in April 2021 and trained 30 Bappenas planners (12 female and 18 male) to use the model. SAPER fills the need for a reliable model that incorporates province-specific economic characteristics to forecast the impact of shocks/interventions to regional and national EG. In June 2021, Bappenas hosted a launch for SAPER that included the Provincial Planning Agencies (Bappeda) from 34 provinces and initiated establishing a Bappeda forum for regional macroeconomic development planning, which will ensure that the model will be used at both regional and national levels.

EGSA also supported Bappenas to update the IndoTERM Computable General Equilibrium (CGE) model and policy dashboard. GOI needed EGSA's support to update the IndoTERM database with Indonesia's latest input-output table and the new IRIO database to enable the model to analyze the inter-connection among regions and establish scenarios for long-term policy analysis. By September 30, EGSA experts had presented the beta-version of IndoTERM for Bappenas' review. Bappenas then requested that the team add policy simulations to analyze the impact of developing the new capital city. The updated IndoTERM model will be completed by the end of October 2021, and hands-on training for Bappenas planners will follow in December 2021.

- **Strengthened GOI capacity to review the effectiveness of the use of central government funds to support effective service delivery at the local level.** EGSA collaborates with MOF FPA to review the implementation of fiscal decentralization since its inception in January 2001. The review systematically assesses the effectiveness of intergovernmental transfers to improve local service delivery and achieve DOs, assesses the quality of fiscal management at the sub-national level over time, identifies challenges and opportunities to strengthen the sub-national governments' (SNGs') economic and fiscal self-reliance, and develops policy recommendations for better fiscal decentralization policy in the future. EGSA conducts this comprehensive review in close collaboration with the MOF FPA team, which facilitates data

collection and input from greater GOI stakeholders relevant to fiscal decentralization and raises awareness of USAID support to FPA leadership.

By September 30, the expert had completed the draft report. Currently, the draft is under review by FPA leadership and expected to be finalized by October 31. The Review of Two Decades of Fiscal Decentralization in Indonesia will become one of FPA's key publications this year and will be disseminated to GOI agencies and SNGs. FPA acknowledges that EGSA's contribution to produce a quality review of fiscal decentralization is one of the most important reforms in Indonesia.

- **Developed framework to evaluate the implementation of gender-responsive budgeting (GRB) to improve Indonesia's Gender Gap Index¹.** Bappenas is leading GOI's effort to ensure gender perspective is adopted into the budgetary process at all levels of government. EGSA contributed to the GOI's effort to improve gender equality by helping the GOI develop tools to monitor the implementation of GRB within GOI agencies. Various assessments showed that Indonesia has adequate regulatory framework on GRB and identified good practices in several ministries, but the current system is inadequate in monitoring and evaluating compliance, leading to less than the full implementation of these good practices. Over time, improvements in ministries' compliance will lead to improvements in gender equality and in the GOI's Gender Gap Index. EGSA also coordinated with donors and non-governmental organizations (NGOs) operating in the sector, such as UN Woman, the World Bank, and Pattiro, to benefit from their knowledge on and experience in GRB implementation in Indonesia. By September 30, EGSA had submitted the draft of the final report and monitoring tools for Bappenas' review. In the next reporting period, the project will finalize and disseminate the report after receiving input from ministries and donors. The report will inform the Presidential Regulation on Gender Mainstreaming, particularly improving the monitoring and evaluation to measure spending to reduce gender gaps.
- **Strengthened the SNGs' capacity on revenue policy analysis.** EGSA provided capacity building to the South Sulawesi Bapenda to assess its own source revenue (OSR) policies, forecast revenue collection, and facilitate an upcoming collaborative discussion with short- and medium-term recommendations. This discussion will respond to declining local revenues resulting from the pandemic-induced economic downturn and GOI policies to accelerate local economic recovery. The capacity-building workshop was delivered to 30 Bapenda South Sulawesi staff (12 female and 18 male) in April 2021. EGSA also provided rapid assessment and policy recommendations to strengthen the management of South Sulawesi's OSR. Bapenda South Sulawesi, among others, have implemented some of these recommendations through expanding payment gateways by applying the Quick Response

¹ The Gender Gap Index measures gender equality based on the relative gaps between women and men across four key areas: health, education, economy, and politics. The value ranges between 0 (complete inequality) and 1 (complete equality). The Gender Gap Index is published annually by the World Economic Forum (WEF) and is designed to capture the magnitude of gender-based disparities and track progress over time. Indonesia ranks poorly on measures of gender equality. There is a high level of inequality, both measured by aggregate index measures and individual indicators. It was ranked 101 out of 156 countries in the WEF Global Gender Gap Index in 2021.

Code Indonesian Standard (QRIS) for payment of local taxes and fees, waiving late payment penalties, and strengthening Bapenda's human resources, especially enforcement agents and bill collectors.

EGSA also approached the District of Lamongan in East Java in March 2021 to provide similar support. While the discussion is ongoing, the District of Lamongan expressed its interest in technical assistance for revenue policy review, revenue projection, and tax administration; all will be implemented in the next reporting period.

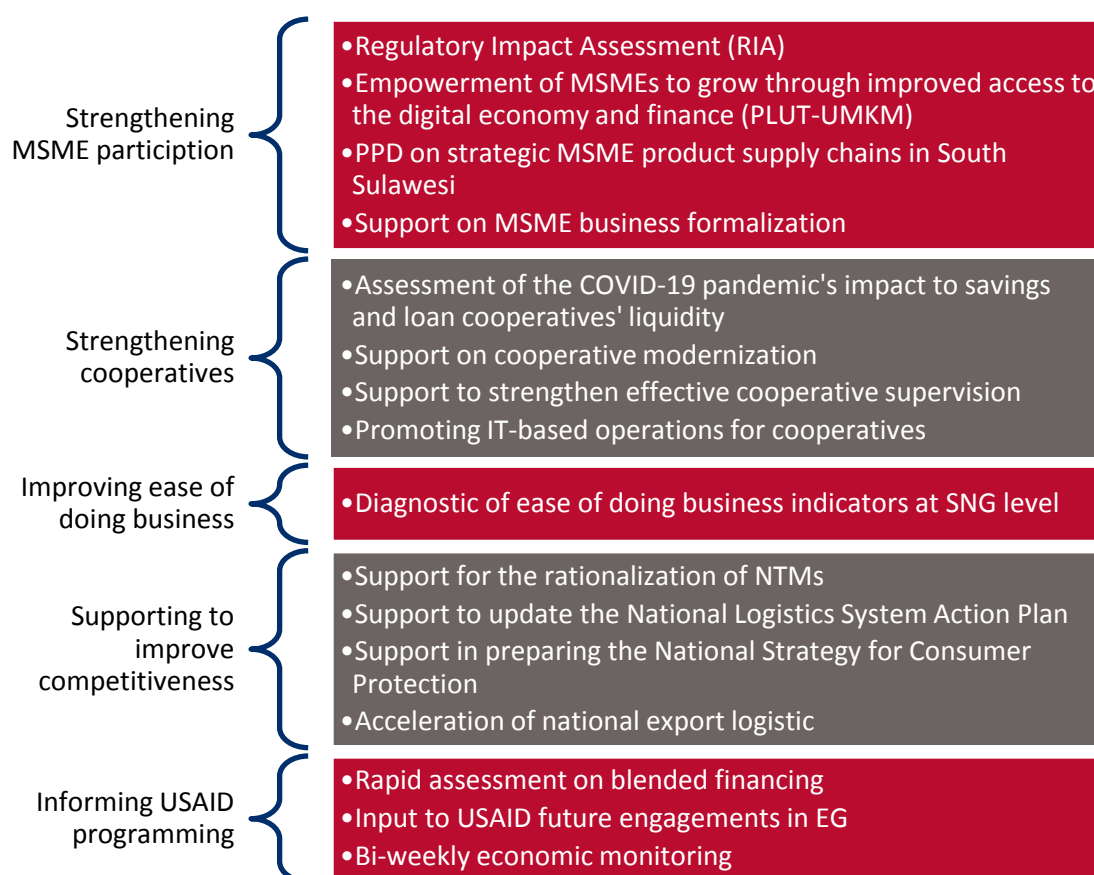
Responding to Bappenas' request to USAID for support in strengthening its capacity to conduct tax analysis to inform national economic and fiscal planning, EGSA started an activity in August 2021 with Bappenas' Directorate of State Finance and Monetary Analysis. This activity developed a model to analyze the effectiveness of tax expenditures and measure their impact on medium- and long-term EG, budget deficit, and debt stock. By September 30, EGSA had presented Bappenas an inception report, workplan, and proposed methodology. This activity is scheduled for completion in January 2022 and expected to strengthen the GOI's capacity in revenue policy and planning and improve the quality of medium- and long-term planning due to the improved economic model.

OBJECTIVE III: BEE

The BEE objective programming reported in this Annual Report is a compilation of activities performed under EGSA's Objectives I (EG) and III (BEE). EG's main objective was to inform CDCS formulation; therefore, it was considered completed with the publication of USAID/Indonesia CDCS in November 2020. Since then, EGSA streamlined its objectives to PFM and BEE as advised by USAID's Contracting Officer's Representative (COR).

The activities performed under the EG and BEE objectives in the PY2 focused on: i) strengthening MSME participation, ii) strengthening the cooperative, iii) improving ease of doing business, iv) improving Indonesia's competitiveness, and v) informing USAID programming in the EG sector. EGSA designed the activities under the BEE objective to contribute to USAID's DO 2 by improving the development and implementation of market-friendly economic policy and regulatory reforms to support private sector development.

Figure 2. BEE activities October 2020–September 2021



The following are EGSA's achievements for the EG and BEE objectives:

- **Established effective partnerships with the GOI's leading agencies on EG and BEE.** In this reporting period, EGSA continues its support and collaboration with the following agencies:
 1. Ministry of Cooperatives and SMEs Deputy of Entrepreneurship, Deputy of Cooperatives, Deputy of Micro Enterprises
 2. CMEA Deputy of Trade and Industry Coordination: Assistant Deputy of Trade Facilitation, Assistant Deputy of Development of Domestic Logistic
 3. Bappenas Deputy of Economy: Directorate of Trade, Investment, and International Economic Cooperation
 4. Department of Cooperatives and SME of South Sulawesi Province

The partnerships are reflected by counterparts' acknowledgement, commitment, and buy-in to EGSA's initiatives and recommendations.

EGSA's continuous commitment to supporting the development of savings and loan cooperatives has cultivated the Ministry of Cooperatives' buy-in and acknowledgement of opportunities to generate meaningful reform and capacity building for saving and loan cooperatives in Indonesia. As the only donor-funded activity supporting the Ministry in this sector, USAID's support is visible to the Ministry's leadership. EGSA's policy

recommendations were continuously solicited, well received, and followed-up with additional requests for assistance to implement EGSA's recommendations.

The activities with CMEA were scheduled to start in October 2020 but were delayed as CMEA focused its attention on preparing and issuing the Law of Job Creation (Omnibus Law). After the issuance of the law in early 2021, the Ministry started collaborating with EGSA on trade and logistics analysis and showed commitment to the activities.

In addition, Bappenas' request for support from USAID has driven the engagements on consumer protection trade logistics. Similar to EGSA's partnership with Bappenas on PFM, the Bappenas counterpart for these activities was also deeply invested in technical discussions.

The South Sulawesi Department of Cooperatives and SME has been responsive to EGSA's initiatives, such as surveys, consultations, or dissemination at the sub-national level. The head of the South Sulawesi Department of Cooperatives expressed to EGSA that he appreciated that EGSA studies consulted South Sulawesi savings and loan cooperatives as respondents, as this will support the cooperatives' goal of being heard by Ministry policymakers. The South Sulawesi Department of Cooperatives also showed its commitment to EGSA activities by contributing venue and transport costs for some EGSA events in Makassar.

- **Informed USAID programming in EG areas.** EGSA identified and recommended EG areas that align with the GOI's priorities and USG's policies in EG and that could benefit from USAID support. In October 2020, EGSA submitted to USAID a list of five project concepts recommended for USAID's future engagement. EGSA derived these project concepts from EGSA's analysis on the gap between donor support and the GOI's demand as well from a possible expansion of EGSA's work beyond EGSA's end date. These project concepts took a programmatic approach to address concerns in EG development as outlined in USAID/Indonesia's current CDCS; concepts are multi-year long and in the size of \$10–15 million.

EGSA also completed a rapid assessment of the blended finance environment in Indonesia to inform USAID programming. The assessment provided basic information on blended finance in Indonesia and identified possible interventions to support development activities, key stakeholders, and economic sectors or subsectors for potential USAID interventions. The study found that the absence of workable systems, business models, and soft infrastructure (regulations, standards and procedures, and basic knowledge of blended finance), coupled with a lack of feasible projects and programs, constrained implementing blended finance in Indonesia to date. EGSA recommended that USAID consider thematic or regional, rather than sectoral, interventions; the multifaceted nature of the financing sector allows for narrowed, more specific activities and for cross-cutting activities involving several sectors. USAID accepted the report in January 2021.

EGSA has been producing periodic updates informing USAID on the COVID-19 pandemic's impact on the Indonesian economy since April 2020. This monitoring focuses on the financial sector, GOI finances, food security, MSME, industry, trade, and investment. The update also monitors economic development in USAID's eight priority provinces. In March 2021, EGSA changed the frequency of publication from weekly to bi-weekly as advised by USAID COR. In PY2, EGSA published 20 editions of the Weekly Economic Monitoring and 14 editions of

the Bi-Weekly Economic Monitoring and distributed these to USAID and other USG agencies.

- **Strengthened the GOI's capacity to create an enabling environment for savings and loan cooperatives to thrive.** EGSA has been supporting the Ministry of Cooperatives with capacity building, assessments, and policy recommendations to empower the Ministry in supporting savings and loan cooperatives to play their role as private economic entities and financing providers for private businesses. EGSA conducted an assessment on the impact of the COVID-19 pandemic on savings and loan cooperative operations as the economic crisis and mobility restrictions affected members' savings and loan payments. The study identified several key recommendations for the Ministry, including the need for: (i) a revolving fund mechanism at the province/district level to support cooperatives' liquidity in times of crisis; (ii) capacity building in financial planning and reporting for cooperatives' staff and management; (iii) a rating system to categorize cooperatives based on their financial and management health; and (iv) modernization in some aspects of operations. EGSA delivered these recommendations in February 2021, and the Ministry requested EGSA's follow-up assistance to implement these recommendations.

For the workplan period of April–October 2021, EGSA designed activities with the Ministry of Cooperatives to implement the recommendations from the Cooperative Liquidity Study. After a rapid assessment of Cooperative Overseers' capacity at the national and sub-national levels, EGSA found a mismatch between Overseers' skills and background and the competency needed to conduct effective cooperative oversight. EGSA designed two trainings tailored for national and sub-national Overseers on assessing the soundness level of the cooperatives' operation as well as the cooperatives' credit risks management. The trainings covered risk management, cooperative finance, and loan management. EGSA delivered the training to 20 Ministry Overseers (9 female and 11 male) in August and 18 South Sulawesi Overseers (6 female and 12 male) in September 2021. The Ministry will use EGSA's training syllabus, modules, and tests to train more Cooperative Overseers in the future.

The Ministry also requested EGSA to assist developing policy supporting cooperative modernization. EGSA gathered evidence and lessons learned from cooperatives who have incorporated digitalization in different aspects of their operations, including member registration, financial and operational reporting, and member meetings, among others. The purpose of this research was to provide input for the Ministry's policy formulation on cooperatives' modernization, while also contributing to the Ministry's target of achieving 500 modernized cooperatives by 2024 (as mandated in the National Medium-Term Development Plan [RPJMN] 2020–2024). EGSA completed and disseminated this study in May 2021.

Another activity complimented the Cooperative Modernization Study to promote the use of IT-based operations for cooperatives. EGSA gathered evidence from cooperatives in DKI Jakarta, West Java, Central Java, East Java, and South Sulawesi on their experiences using IT-based solution as well as consulted with eight IT system providers on services available on the market. This activity attracted the attention of the Financial Service Authority (OJK), which also wants to promote IT-based solution for cooperatives as non-bank financial institutions. By September 30, EGSA developed a set of tools to assess cooperatives' needs and readiness for IT solutions, and the Ministry is currently reviewing these tools. To formalize EGSA's collaborations with OJK and provide eligible cooperatives with IT

solutions, EGSA also provided inputs to the Ministry of Cooperatives. This activity will be completed by October 31, 2021.

- **Strengthened the GOI's capacity to create an enabling environment to increase MSME participation.** Because the COVID-19 pandemic presented challenges to MSMEs' survival, the newly launched Job Creation Law (the Omnibus Law) presented new opportunities for MSME growth. The Ministry of Cooperatives and SMEs requested EGSA to strengthen the Ministry's capacity to analyze current policy on MSMEs, evaluate MSME programs in economic sectors affected by the pandemic, and analyze the National Economic Recovery Program (PEN) it managed. To answer this request, EGSA delivered a regulatory impact assessment (RIA) training in February 2021 to 20 staff (12 female and 8 male) to the Ministry's Deputy of Micro Enterprises. The Ministry then used the RIA technique to analyze MSME-related policies and identified the Job Creation Law, specifically the implementation of risk-based principles on business registration, as one of the policies with the highest impact on MSME growth.

As a result of implementing RIA principles, the Ministry requested follow-up assistance to inform the design of programs aimed at formalization and business licensing processes for MSMEs based on their risk profiles. By consulting with MSMEs and SNG agencies relevant to business registration, EGSA found that many micro and small businesses were unable to complete their data profile as the information requested is too complicated; therefore, these businesses could not complete their business registration submission. Based on stakeholder input, EGSA designed a program that is simple enough to be completed with minimum assistance, yet comprehensive enough to describe the business' risk profile. EGSA also developed a roadmap to assist MSMEs to scale up as well as to become formalized. On September 20, the Ministry of Cooperatives organized FGDs to disseminate EGSA's designs to relevant GOI agencies. The Ministry of Investment had strong buy-in to adopt the database structure concept into the Online Single Submission (OSS) system, while the Central Bureau Statistics Indonesia, the Ministry of Industry, and Bappenas will utilize the study's result as reference.

EGSA also supported the Ministry of Cooperatives and SMEs to strengthen the capacity of field facilitators at PLUT-UMKM to advise MSMEs to respond to challenges and opportunities presented by the digital economy. EGSA has provided integrated support to PLUT-UMKM of South Sulawesi and East Java through a series of activities including capacity building, dialogues, and workshops. By September 30, EGSA had trained 38 PLUT-UMKM facilitators (11 female and 27 male) in South Sulawesi and East Java on access to finance, digital marketing, and MSME business development. EGSA also had and conducted three public-private dialogues (PPDs) on business linkage and participation in the digital economy as well as the application processes for a *Hala!* license and Food and Drug Administration (BPOM) license. By October 30, EGSA will formally report on the capacity-building program's completion, present policy recommendations to strengthen PLUT-UMKM, and deliver a syllabus and modules developed for this activity to the Ministry.

Aside from the Ministry of Cooperatives and SMEs, EGSA also worked directly with South Sulawesi Province's Department of Cooperatives and SMEs to develop PPDs to encourage MSME participation in supply chains of South Sulawesi's strategic industries, namely seaweed and fisheries. By the end of September, EGSA had conducted three PPD events on seaweed and fisheries supply chains. These were attended by business associations, cooperative associations, MSMEs, and SNG agencies relevant to seaweed and fisheries sectors and gave

policymakers insight on the challenges to and opportunities for MSME participation in both sectors. By October 31, EGSA will conclude this activity with the fourth PPD event and deliver communication protocols and policy recommendations to South Sulawesi's Department of Cooperatives.

- **Contributed to policy formulation to improve doing business at the sub-national level.** EGSA assisted the Ministry of Cooperatives and SMEs to identify gaps in the implementation of the GOI's ease of doing business reforms by observing the implementation of two doing business indicators applicable at the SNG level: business registration and construction permit. Following requests from the Ministry to focus on increasing village tourism performance, EGSA selected food and beverage and accommodations in tourism as the focus sectors. By September 30, EGSA had completed FGDs and in-depth interviews with ministries, SNG officials, and MSMEs in the selected sectors from Surabaya, Malang (East Java) and Makassar, Bantaeng (South Sulawesi) on the challenges, and opportunity of public services related to doing business and progress toward licensing permit processes under the newly integrated OSS system based on new Government Regulation No. 5 of 2021 on risk-based licensing. Despite the recent issues surrounding the Ease of Doing Business report at the World Bank, the reforms of Doing Business indicators are still important to improve the business enabling environment. A diagnostic report for East Java and South Sulawesi on the implementation gaps of business reform will be delivered for the Ministry's review on November 2, 2021.
- **Contributed to policy formulation to improve trade competitiveness.** EGSA supports the CMEA to improve country trade competitiveness by supporting policy analysis on simplifying NTMs and implementing the National Logistic System. By September 30, EGSA had conducted empirical analysis and consulted private sectors and GOI agencies relevant to tariff and non-tariff policies for sugar, salt, wheat flour, and milk as input commodities to the food industry. By the end of October, EGSA will conduct a workshop to disseminate findings and provide recommendations to strengthen coordination between the GOI institutions that implement some aspects of NTMs, for example licensing procedures, notifications, health standards, or the number of quotas.

EGSA supported CMEA in updating the roadmap and action plan of the National Logistics System (Sislognas) to strengthen implementation. By September 30, EGSA had concluded intensive consultations on the design of the roadmap and action plan as well as set up baseline and targets to achieve for 2025, completed a case study using selected commodities (shallot and banana) to determine the optimum logistic model between provinces, and completed an analysis of regulatory reform on logistics. A final report containing the best supply chain management practices and the mapping of regulatory and institutional framework on the national logistics system will be disseminated by the end of October.

In July 2021, Bappenas requested USAID's support on two urgent activities that will inform the GOI's immediate policy formulation. The first is support to strengthen the National Strategy for Consumer Protection. EGSA and Bappenas will explore the determinants of business actors' compliance with consumer protection policy and the impact of such policy on business' competitiveness. The findings will inform policy formulation in revising the Presidential Regulation Number 50/2017 on Consumer Protection. This activity is scheduled for completion in February 2022. The second is an input to the GOI Annual Workplan (RKP) 2023 on strategies to improve export logistics in Indonesia to support export performance. EGSA's support will identify the underlying factors and barriers affecting the efficiency and effectiveness of Indonesia's export logistics

and how they affect Indonesia's export logistics' costs; quantify the components of export logistics' costs and develop a logistics barrier index for Indonesia, which can be used to monitor Indonesia's export logistics performance; and quantify the impact of the identified logistic barriers on Indonesia's export performance. This activity is also scheduled for completion in February 2022.

CHALLENGES TO IMPLEMENTATION

EGSA experienced the following implementation challenges in this reporting period:

1. The GOI's shifted attention and priorities to respond to various development challenges during this reporting period. CMEA's focus on the issuance of the Job Creation Law (the Omnibus Law) was one of the challenges to realizing previously agreed activities. After the Law was passed in October 2020, strong public reactions to the Omnibus Law also kept some ministries occupied, therefore delaying communications even further. EGSA maintained informal communications with key persons in CMEA and was able to start technical discussions on NTM and logistic activities in March 2021. Similarly, other GOI agencies also experienced changes in priorities and budget allocation to support the National Economic Recovery Program, which caused prolonged discussions in finalizing the scope of EGSA activities to adjust to the new priorities.
2. Indonesia experienced an increasing number of COVID-19 cases in 2021 and imposed several phases of strict mobility restrictions and limited community activities. This caused the following disruptions:
 - Delayed and rescheduled EGSA activities. Some GOI ministries have restricted face-to-face events, causing delays to events implementation. EGSA considered delivering a hybrid approach of online and in-person trainings/workshops in coordination with counterparts, while maintaining compliance to health protocol. EGSA was able to conduct some trainings and workshops scheduled for PY2 despite some delays and rescheduled other workshop deliveries to after October 2021 as requested by the counterparts.
 - Affected health and well-being of EGSA staff, consultants, and counterparts. EGSA experienced delays in implementing some activities, as experts and key counterparts had contracted the virus and took time off for recovery and/or care for family. Despite the disruption, EGSA's technical team maintained implementation by putting extra time and attention toward the affected activities while also monitoring the health conditions of counterparts and consultants. EGSA mitigated this risk by creating WhatsApp groups for each activity to maintain communication between experts and counterparts, even when the person-in-charge was unavailable.
 - Prolonged international travel restriction, which limited the ability of international experts and home office staff to travel to Indonesia to support the implementation. Despite this restriction, EGSA staff were able to engage with international talents who managed to collaborate effectively despite the remote working arrangements. EGSA also continued to receive full support from the home office in its administrative and technical operations.
3. The GOI restructured ministries. The Ministry of Cooperatives and SMEs' restructuring affected the implementation of the cooperative modernization assessment, as EGSA had to

engage with a new counterpart while maintaining relations with the previous officer. EGSA experts and the Chief of Party (COP) continued engaging all counterparts within the Ministry of Cooperatives and enabled them to agree on the study's design and arrangement. EGSA maintains good relationships with all counterparts within the Ministry and continued to receive support and buy-in for EGSA initiatives.

4. Prospective sub-contractors had difficulties registering for USG's System for Award Management (SAM). In this reporting period, EGSA designed an activity to create a roadmap for establishing an apex institution for savings and loan cooperatives. Given the complexity of the activity, a sub-contractor was able to implement this roadmap. Of the four offerors that responded to the Request for Proposal, only one has registered with SAM; however, this offeror's proposal did not meet EGSA's technical requirements. The strongest offeror was in the process of registering with SAM but had experienced a delay in completing one step of the registration process due to the GOI's clearance process backlog. As the offeror was not able to register with SAM until the deadline, EGSA decided to change course from procuring an organization to issuing a scope of work in order to access local and international experts who could perform the activity. These changes were communicated to the USAID COR and incorporated in the November 2021–April 2022 Workplan, which USAID approved in September 2021.

PERFORMANCE MONITORING

EGSA submitted the first EGSA Activity Monitoring, Evaluation, and Learning Plan (AMELP), which USAID approved in December 2020. Since then, EGSA has submitted several updates to performance indicators in the project workplan and progress reports, which were also approved. Because EGSA reported the changes to performance indicators in separate documents, EGSA developed an AMELP Amendment to compile all changes, which USAID approved on October 15, 2021. However, because the changes had been previously approved as part of EGSA's various reporting and planning documents, the revised AMELP is used in this report to document progress.

EGSA monitored progress in achieving its high- and task-level indicator activities through a combination of 10 custom and one foreign assistance standard EG indicators. The results against these performance indicators are provided in Table 1 on the EGSA performance indicators. The monitoring period for EGSA AMELP are quarterly and annually, with targets set every year. EGSA developed two semi-annual workplans for this reporting period: first, for October 2020–March 2021 and second, for April 2021–October 2021. Unlike the usual USAID activity workplan, the latter workplan was extended to October to meet the planned EGSA completion date. Due to this mismatch, most of EGSA's activities under the current workplan period were not fully completed by the end of the fiscal year. The unfinished activities resulted in underachievement against targets as shown in the EGSA performance table below. Although not fully completed, EGSA is confident that PY2 targets will be counted and achieved by the next reporting period, considering technical components have been completed and the backlog is mostly related to completing the final report pending GOI review, delivering workshops and trainings to accommodate GOI schedules, and adopting EGSA policy recommendations by the GOI.

KEY RESULTS ACHIEVED

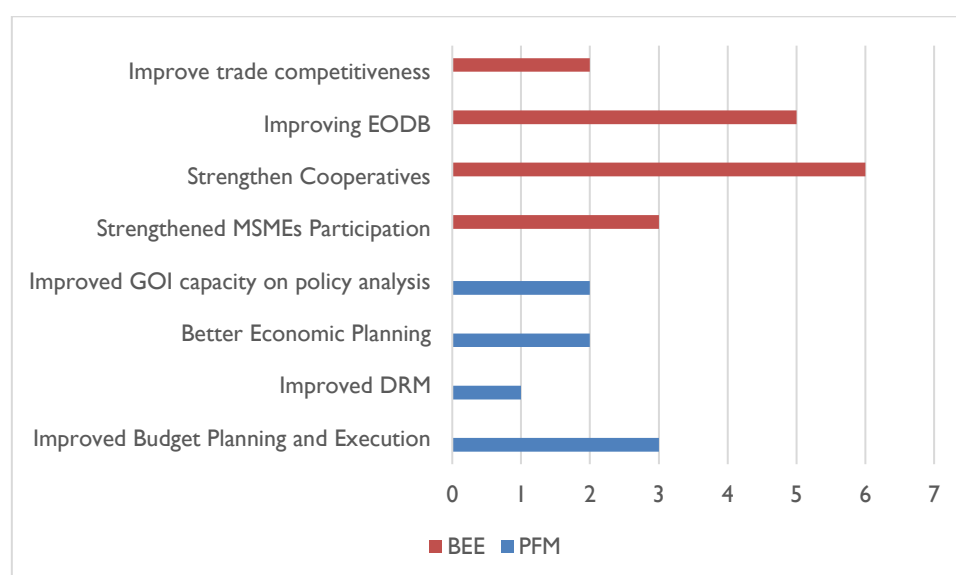
Improving Indonesia's Regulations and Institutional Capacity to Increase Economic Growth (High-level indicators)

EG cannot occur without enabling regulations and improving capacities at relevant institutions. During the reporting period, the project conducted 24 joint activities with the GOI to address EG issues and improve a total of 14 GOI institutions' capacity at national and sub-national levels to increase EG.

Joint activities are defined as collaborations with the GOI to hold workshops, trainings, and FGDs and to conduct analysis; these show the GOI's commitment and buy-in to EGSA activities. All 24 joint activities in this period contribute to EGSA objectives on Strengthening PFM and Improving Business Enabling Environment in Indonesia. The type of collaboration varies, among others are hosting online events, providing venues for offline events.

The number of joint activities conducted by objective and key result is shown in Figure 3. In this reporting period, EGSA exceed the annual target by 19 joint activities.

Figure 3. Joint activities by EGSA objective and key results



EGSA provides technical assistance to 14 government institutions at national and sub-national levels, leading to improved capacity in strengthening PFM and improving BEE in these areas. However, for this period, EGSA's achievement in this key result area is documented as two or 40 percent from the target. EGSA's underachievement in this indicator is because the tools, models, and/or methodologies EGSA introduced to the 14 government institutions have not yet been used, while improved capacity is measured by the improvement to address constraints in EG and the increased ability to use approaches, processes, strategies, or methodologies introduced by EGSA.

Nonetheless, the EGSA team will keep monitoring and working with these institutions until project completion to ensure EGSA-introduced tools are adopted and utilized.

Increased GOI Agencies' Capacity in Improving Enabling Environment to Increase Indonesia's Economic Growth (Task-level indicators)

The Project proposed 28 models, methods, and/or procedures to GOI counterparts to strengthen Indonesia's EG through improvements on PFM and BEE. This achievement is beyond the project annual target of eight.

The procedures EGSA proposed are a combination of recommendations from studies or assessments, model development, and revision on existing procedures and standards. For example, procedures used recommendations from the Cooperatives Liquidity Study, the Gender Study, and the CBA manual. The EGSA team presented the CBA manual to the MOF DG Budget, and DG Budget used it to evaluate four ongoing government programs.

The Project engaged 19 government and non-government agencies and conducted nine assessments on Indonesia's EG over the reporting period. The number of agencies engaged was beyond the Year 2 target of eight. EGSA conducted nine assessments on Economic Growth, which also exceeds the target of eight. The assessments completed in this reporting period are the Blended Finance Study, Formalization and Micro and Small Enterprises in Indonesia: Insights from Women Entrepreneurs, Indonesian Tax System from 30,000 Feet, Savings and Loan Cooperative Liquidity Study, Support to Task Force for Budget Policy for MSME Phase I, Strengthening Local Revenue Policy in South Sulawesi, Cooperative Modernization, Support to Task Force for Budget Policy for MSME Phase II, and MSME Formalization. Some of EGSA's assessments will be completed in October 2021 as planned in the Workplan, therefore EGSA will have several completed assessments in the pipeline for formal handover to GOI in the next reporting period.

The target for number of EG strategy-related recommendations delivered to USAID for this reporting period is 8, and EGSA has delivered 13. The recommendations were embedded in these outputs: the Blended Finance Study (5 recommendations), Ideas for Future USAID Engagement in EG Sector (5 recommendations), and Formalization and Micro and Small Enterprises in Indonesia: Insights from Women Entrepreneurs (3 recommendations). In the next reporting period, EGSA does not expect to produce any result for this indicator due to a switch of the project focus from conducting assessments to support USAID's EG strategy development to responding to GOI needs for economic growth as suggested by USAID COR.

To reduce known barriers to trade and trade-related investment, EGSA is working with CMEA on developing policy recommendations to reduce overlapping NTMs in sugar, salt, and milk and developing a roadmap action plan for Sislognas in 2025. However, at this stage, the Project is still finalizing the recommendations and incorporating input from CMEA. Part of the un-met target is due to EGSA's workplan period, which ends on October 31, 2021. Therefore, achievements for this indicator are still 0 despite of this year's target of 2. Nevertheless, EGSA is optimistic it will meet the target next quarter.

GOI Staff with Improved Knowledge of Indonesian Economic Growth (Task-level indicator 2.A)

During this reporting period, the project conducted eight trainings benefiting 182 people (39 percent are women) from from Bappenas, the Ministry of Cooperatives and SMEs, PLUT – UMKM in South Sulawesi and East Java, and the South Sulawesi Regional Revenue Office. Most trainings focused on providing the government tools for improving policy analysis, oversight, DRM, and economic forecasting. Training for PLUT-UMKM facilitators focused on equipping them with tools to increase MSMEs to access finance, build better business strategies, and use digital marketing. After the training, 99 trainees, or 69 percent, showed improved knowledge as evidenced through pre and post tests. This percentage achievement is slightly lower than the target of 70 percent partly due to challenges in holding effective training during the COVID 19 pandemic; most government offices are closed, and the Project can only hold face-to-face training with limited participants.

“Achievement on improved private sector and GOI officials’ understanding of BEE best practices to support EG” is pending completion of an EGSA survey. This survey will be sent to CMEA, MSMEs,

and private sector/associations involved in EGSA's NTM, Sislognas, business registration, and PPD activities. Since activities are not fully completed until October 31, the survey has not yet been conducted. EGSA will conduct the survey in December 2021 in two phases to cover all BEE stakeholders: first, after receiving written acceptance on our recommendations on NTM and Sislognas from CMEA (estimated on the first week of December); second, during the national workshop on business registration with the Ministry of Cooperative and SMEs (planned for the second week of December).

One foreign assistance standard indicator added in EGSA's recent AMELP revision is "Number of days of USG-funded technical assistance provided to support microenterprise development (EG.4.2–5 financial-sector capacity)." For this indicator, the project will measure how EGSA's technical assistance contributed to the policy environment for micro and small enterprises. Consistent with the indicator definition, the indicator will count the number of staff hours EGSA supplied in technical assistance to reduce the national and local barriers to registering and operating micro/small enterprises by improving the policies, laws, regulations, and institutions affecting these enterprises. In this period, EGSA spent 375 days of consultant and project staff hours working on business registration.

Table I. Achievement of performance indicators in PY2

EGSA PERFORMANCE INDICATORS						
HIGH-LEVEL INDICATORS						
Improving Indonesia's Regulations and Institutional Capacity to Increase Economic Growth						
Indicator	Measurement Unit	Targets				
		Baseline	PY1	PY2	PY3	Total
I.A Number of joint activities conducted by EGSA and GOI to address Indonesia's EG issues	Number of joint activities conducted by EGSA and GOI	0	2	5	7	14
		Achievements				
		0	2	24	TBD	TBD
I.B Improved GOI's capacity in increasing EG	Number of institutions with improved internal processes/ standards/expertise	Targets				
		0	0	5	3	8
		Achievements				
		0	1	2	TBD	TBD
TASK-LEVEL INDICATORS						
Increased GOI Agencies' Capacity in Improving Enabling Environment to Increase Indonesia's Economic Growth						
Indicator	Measurement Unit	Targets				
		Baseline	PY1	PY2	PY3	Total
I.A Number of new improvements to GOI regulations/mechanisms proposed by EGSA to strengthen Indonesia's economic growth	Number of new regulations/standards/ methods/procedures proposed	0	0	8	4	12
		Achievements				
		0	0	28	TBD	TBD
I.B Number of GOI and non-government agencies engaged and endorsed because of EGSA's assistance	Number of GOI agencies engaged with/by EGSA	Targets				
		0	0	8	5	13
		Achievements				
		0	4	19	TBD	TBD
I.C Number of assessment/studies conducted by EGSA on Indonesia's EG	Number of studies/ assessments/mapping/analytical work conducted for and delivered to USAID and/or GOI	Targets				
		0	8	8	6	22
		Achievements				
		0	8	9	TBD	TBD
I.D		Targets				
		0	0	8	0	8

Number of EG strategy-related recommendations delivered to USAID	Number of specific interventions in the EG area recommended and proposed to USAID	Achievements				
		0	12	13	TBD	TBD
1.E Number of improvements to mechanisms/regulations to reduce known barriers to trade and trade-related investment proposed to and accepted by GOI	Number of new regulations/standards/methods/procedures proposed and accepted	Targets				
		0	0	2	1	3
		Achievements				
		0	0	TBD	TBD	TBD
GOI Staff with Improved Knowledge of Indonesian Economic Growth						
Indicator	Measurement Unit	Targets				
		Baseline	PY1	PY2	PY3	Total
2.A Number of activities performed/conducted by EGSA to improve GOI's capacity in increasing EG	Number of training activities conducted	0	2	8	3	15
		Achievements				
		0	2	8	TBD	TBD
2.B Number of GOI officials with improved capacity in increasing Indonesia's EG due to USG support	Number of people trained (at least 30 percent should be women)	Targets				
		0	40/12	100/30	45/14	185/56
		Achievements				
		0	40/6	182/71	TBD	TBD
	Number of participants with improved knowledge (at least 70 percent of participants)	Targets				
		0	28	70	32	130
		Achievements				
		0	39	99	TBD	TBD
2.C Improved private sector and GOI officials' understanding of BEE best practices to support EG	Percent change in private sector and GOI officials' knowledge of BEE-related best practices	Targets				
		0	0	70%	70%	130
		Achievements				
		0	0	TBD	TBD	TBD
2.D Number of days of USG-funded technical assistance provided to support microenterprise development (EG.4.2–5 financial-sector capacity)	Number of days of technical assistance provided in each reporting period	Targets				
		0	0	255	20	275
		Achievements				
		0	0	375	TBD	TBD

STRATEGIC COMMUNICATION PLAN UPDATE

Throughout this reporting period, EGSA continued to broaden its outreach by producing and distributing communication materials to enhance the Program's presence and continue to improve the way the Program communicates to its prominent stakeholders.

COMMUNICATION MATERIALS PRODUCED

EGSA followed-up activities by developing blurbs and success stories distributed as quick and informative program updates. EGSA also ensured it used USAID branding and marking on all outreach activities, namely FGDs, workshops, and trainings, conducted both as online and in-person events.

In this period, EGSA produced and distributed the following communication materials:

- A new program fact sheet with an updated narrative to better suit the program's latest developments
- 24 blurbs for USAID publication
- Two success stories approved by USAID and published on DevTech Systems' website
- Banners for workshops, trainings, and FGDs
- Virtual backgrounds for EGSA's virtual events
- A certificate distributed to 148 participants of workshops and trainings
- Training kits, comprised of a tote bag and promotional items with USAID's logo, distributed to 375 event participants
- Reports and presentations with USAID's logo submitted to GOI and private sector stakeholders

MEDIA AND SOCIAL MEDIA MENTIONS

In this reporting period, 26 online articles posted on various sources, including news outlets and government-owned channels, and 26 Facebook posts mentioned EGSA. Each social media post mentioning the program was posted by a government official or a participant of the EGSA's activities. EGSA collected this information via an online-based web search to estimate the outreach of EGSA's activities implemented in PY2.

Table 2. Media mentions

DATE	CHANNEL	LINK
3 April 2021	Media channel: beritasatu.com	https://www.beritasatu.com/ekonomi/754907/kemenkop-dan-usaid-apresiasi-aplikasi-digikopin-memodernisasi-kotesebha-pp-polri
3 April 2021	Media channel: Industry.co.id	https://www.industry.co.id/read/83393/pemerintah-dan-usaid-apresiasi-start-up-digikopin-modernisasi-bisnis-kotesebha-pp-polri
4 April 2021	Media channel: Tribunnews.com	https://www.tribunnews.com/techno/2021/04/04/diapresiasi-kemenkop-dan-usaid-start-up-digikopin-modernisasi-bisnis-koperasi-ke-digital
7 April 2021	Media channel: radaraktual.com	https://radaraktual.com/63149/modernisasi-bisnis-koperasi-ke-digital-kemenkop-ukm-dan-usaid-apresiasi-startup-digikopin.html
9 April 2021	Government channel: Sulselonline.com	https://sulselonline.com/2021/04/09/usaid-latih-bapenda-sulsel-tingkatkan-pad/

DATE	CHANNEL	LINK
9 April 2021	Government channel: Bappeda East Kalimantan	https://bappeda.kaltimprov.go.id/postingan/diskusi-pemanfaatan-modal-peramalan-ekonomi-regional
15 April 2021	Government channel: Regional Revenue Office South Sulawesi	https://bapendasulsel.web.id/v1/2021/04/09/usa-id-latih-pejabat-bapenda-sulsel/
29 May 2021	Media channel: mediasonline.com	https://mediasonline.com/menkop-dan-ukm-transformasi-umkm-ke-ekonomi-digital-jadi-keniscayaan/
18 June 2021	Government channel: Bappeda East Kalimantan	https://bappeda.kaltimprov.go.id/postingan/diskusi-pemanfaatan-modal-peramalan-ekonomi-regional
26 August 2021	Media channel: Antara News	https://www.antaranews.com/berita/2353426/kemenkop-ukm-dan-usaid-kerja-sama-perkuat-sdm-pengawas-koperasi
26 August 2021	Media channel: Yahoo News	https://id.berita.yahoo.com/news/kemenkop-ukm-dan-usaid-kerja-144803071.html?
26 August 2021	Media channel: SiapGrak.com	https://siapgrak.com/artikel/6xYQvI
26 August 2021	Media channel: Yahoo News	https://id.berita.yahoo.com/kemenkop-ukm-dan-usaid-kerja-144803071.html
26 August 2021	Media channel: Mimbarumum.co.id	https://mimbarumum.co.id/kemenkop-ukm-dan-usaid-kerja-sama-perkuat-sdm-pengawas-koperasi/
26 August 2021	Media channel: Line News	https://today.line.me/id/v2/article/6xYQvI
27 August 2021	Media channel: WanitaIndonesia.co	https://wanitaindonesia.co/page/54/
27 August 2021	Media channel: Lira News	https://liranews.com/tag/kemenkopukm-dan-usaid-egsa/
27 August 2021	Media channel: Eksplore.co.id	https://www.eksplore.co.id/kolaborasi-denfan-usaid-egsa-kemenkop-ukm-perkuat-sdm-pengawas-koperasi/
27 August 2021	Media channel: pacitanmall.id	https://pacitanmall.id/tag/plut-kumkm-pacitan/
7 September 2021	Government channel: Malang District PLUT Office	https://plutkabupatenmalang.business.site/posts/767790870652589731?hl=id
24 September 2021	Media channel: bogordaily.net	https://bogordaily.net/2021/09/kemenkopukm-perkuat-sdm-aparatur-pengawas-koperasi-dan-sdm-koperasi-di-sulsel/
24 September 2021	Media channel: portonews.com	https://www.portonews.com/2021/keuangan-dan-portfolio/perdagangan-dan-jasa/peningkatan-kualitas-sdm-koperasi-di-sulsel/
26 September 2021	Government channel: Ministry of Cooperatives and SMEs	https://kemenkopukm.go.id/read/kolaborasi-kemenkopukm-dan-usaid-egsa-perkuat-sdm-pengawas-koperasi
26 September 2021	Media channel: Madani News	https://www.madaninews.id/15578/kemenkopukm-beri-pelatihan-perkuat-sdm-koperasi-di-sulsel.html
26 September 2021	Media channel: BisnisKUMKM.com	https://bisniskumkm.com/kemenkop-ukm-dan-usaid-egsa-perkuat-kapasitas-konsultan-plut-sulawesi-selatan/
27 September 2021	Government channel: Communications and	http://kominfo.jatimprov.go.id/read/umum/egsa-usaid-gelar-forum-public-private-dialog-ekonomi-digital

DATE	CHANNEL	LINK
	Information Office, East Java	

CHALLENGES FOR EFFECTIVE COMMUNICATION OUTREACH AND DIRECTION FOR FUTURE PROGRAM

The challenges faced in this reporting period are related to the restriction presented by the COVID-19 pandemic. The strict mobility restriction and prolonged work-from-home policy limited the ability to conduct events in person, meet story subjects, and take strong pictures and videos. Similar mobility restriction affected and extended the production time of EGSA promotional materials, as vendors operated at limited capacity and often did not stock enough materials for production.

For the next reporting period, EGSA will focus its communication efforts to produce materials based on the impacts of past activities. The materials will feature the GOI's adoptions of knowledge, skills, and/or new methods as impacts of EGSA's interventions. To accomplish this, EGSA will interview past participants on how the implemented activities are impacting their government work today and take supporting pictures. EGSA will develop the interviews' content into various communication materials, including short success stories, testimonial videos, and sound bites.

STORIES FROM EGSA ACTIVITIES

USAID EGSA Supports the Government of Indonesia's Effort to Strengthen the Oversight of Savings and Loan Cooperatives

In 2020, there were 126,000 cooperatives in operation in Indonesia, and 20,852 of them are savings and loan cooperatives (*Koperasi Simpan Pinjam*/KSP). The KSPs provide financial services to its members, including those who may not be considered bankable by the conventional banking industry. Therefore, KSPs play an important role in providing access to finance for micro and small businesses that may not have legal status and/or collateral to access conventional bank loans.

With increased complexity in business and institutional issues, the KSPs need to manage their credit risks well. However, some KSPs in Indonesia are not adequately equipped, which resulted in funds mismanagement and bankruptcy.

The responsibility of overseeing and ensuring the financial and institutional health of KSPs is shared between the Ministry of Cooperatives and SMEs at the central government level and the Department of Cooperatives at the sub-national level. The government appoints the Cooperatives Oversight Functional Position (*Jabatan Fungsional Pengawas Koperasi*/JFPK) for this important task. Government officials holding the roles of Cooperative Overseers are mandated by Indonesian law to obtain a certification of competence on cooperative oversight. However, during the past several years, the National Professional Certification Agency (BNSP) has stopped providing this specific course and certification for various reasons. As a result, today, most Cooperative Overseers are working based on a template without having the analytical knowledge to better justify their work processes.



Photo: Alberta Pertiwi for USAID EGSA

The Indonesian Ministry of Cooperatives and SMEs requested support from EGSA to overcome this challenge. Through a needs assessment, EGSA found that not all Cooperative Overseers have the required knowledge nor the certification to fulfil the requirements as JFPKs. Based on the needs assessment, a review of regulations and current work practices, EGSA developed five standardized competency-based training modules to be used by the Ministry to build the capacity and certify its future cooperative supervisors. In collaboration, EGSA, the Ministry, and the Department of Cooperatives of South Sulawesi Province developed the training modules.

In August and September 2021, USAID EGSA held two trainings for a total of 38 Cooperative Overseers from central and sub-national governments. Participants were trained to assess the loan risks, review the implementation of internal policies, and assess the quality of asset and infrastructure management practices of KSPs. The knowledge obtained from the training will enable the officers to assess the health of KSPs and devise recommendations to improve their operation.

The Ministry of Cooperatives and SMEs acknowledges that the cooperative oversight training modules developed in collaboration with EGSA are a valuable legacy and commits to replicating the training for other provinces in Indonesia. In its official press release, the Ministry states that the collaboration between the Ministry of Cooperatives and EGSA has strengthened the capacity of Cooperative Overseers in Indonesia.



Photo: Alberta Pertiwi for USAID EGSA

Snowballing Transfer of Capacity through Training of Trainers

MSMEs are an important pillar of the Indonesian economy. In 2019, Indonesia had an estimated 64.2 million MSMEs, which contributed 61 percent to the country's gross domestic product. MSMEs also contribute to the Indonesian economy by absorbing 97 percent of the total workforce and make up 60 percent of total investments in the country. The GOI is pushing hard to strengthen its capacity to provide guidance and assistance to MSMEs to promote their growth and sustainability, especially after the pandemic-induced economic crisis. One of government initiatives to support MSME development is establishing a provincial-level Center for Integrated Services for MSMEs (PLUT-UMKM), which provides free-of-charge training and assistance to thriving MSMEs. The government hopes that establishing these centers will accelerate the improvement of MSMEs throughout the country.



The GOI requested EGSA to contribute to this effort. EGSA partnered with the Ministry of Cooperatives and SMEs and its provincial-extended bodies to formulate training modules that would improve the capacity of PLUT-UMKM trainers. The modules were developed based on the needs assessment by EGSA, the Ministry, and the Departments of Cooperatives of the South Sulawesi and East Java provinces. EGSA prepared modules on business licensing, digital marketing, and

access to finance. These topics are relevant to the challenges and opportunities faced by MSMEs in the pandemic era, as COVID-19-related mobility restrictions push MSMEs to participate in the digital economy.

Between August and September 2021, EGSA had successfully trained 40 PLUT-UMKM trainers from the provinces of East Java and South Sulawesi. On average, each PLUT-UMKM trainer provides training and assistance to 30–50 MSMEs per year. Therefore, strengthening the capacity of these trainers will benefit hundreds of MSMEs for years to come. EGSA is continuing its support by facilitating discussions between the government, MSMEs, and companies to promote business linkages that will broaden the opportunities of EG in Indonesia.



Photos: Neng Wiwin for USAID EGSA

STAFFING

In this reporting period, EGSA hired 4 full-time staff to support project implementation. With the resignation of BEE Expert Fararatri Widyadari in May 2021, EGSA hired Georgius Joseph Viandrito as BEE Expert STTA in July 2021. With USAID approval, EGSA then hired Mr. Viandrito as key personnel BEE Expert staff in August 2021.

Table 3. EGSA new staff hired in PY2

NO	TITLE	NAME	DATE OF HIRE
1	Finance and Administration Officer	Dewi Sekarsari	January 4, 2021
2	Deputy COP	Kusumastuti (Tuti) Soepardjo	February 15, 2021
3	PFM Mid-Level Expert	Rika Yustisia Hastanti	April 1, 2021
4	BEE Expert	Georgius Joseph Viandrito	August 1, 2021

EGSA created ambitious workplans to accelerate project implementation, optimize support to GOI counterparts, and efficiently move resources to produce quality output. For the workplan period of October 2020–April 2021, EGSA planned 19 activities, and for the period of March 2021–October 2021, the Project planned 18 activities. To support the implementation of EGSA workplans, in this

reporting period, EGSA hired 65 Short-Term Technical Advisors (STTAs) as technical experts, discussants, moderators, and trainers. Below are the STTAs that contributed to EGSA's activities.

Table 4. STTA hired in PY2

NO	TITLE	NAME	ACTIVITY	COUNTERPART
PFM				
1	Governance Advisor	Adrianus Hendrawan	Liaison between EGSA and GOI PFM Agencies	
2	Regional Macroeconomist Team Leader	Arief Anshory Yusuf	Development of Regional Macroeconomic Forecasting Model	Bappenas
3	Regional Macroeconomist Expert	Ahmad Komarulzaman		
4	CBA Expert	Khoirunnurofik		
5	CBA Expert	Nur Kholis	CBA Implementation	MOF DG Budget
6	CBA Expert (Int'l)	Kristen Schubert		
7	Fiscal Decentralization Team Leader	Ferry Prasetyia		
8	Mid-level Decentralization Expert	Tengku M. Chalil	Review of Two Decades of Fiscal Decentralization	MOF FPA
9	Junior Decentralization Expert	Tiara Juniar Suwardi		
10	DRM Expert	Khoiru Rusydi		
11	DRM Expert	Hendi Subandi	Strengthening DRM Policy and Strategy	Bapenda South Sulawesi
12	Sr. MSME Expert	Rini Radikun		
13	MSME Research Assistant	Nadira Asrifa Nasution		
14	Discussant: Microfinance Expert	Aslichan Burhan	Task Force for Budget Reform on MSME 1	MOF DG Budget
15	Discussant: MSME Supply Chain Expert	Dewi Meisari Haryanti		
16	Moderator	Eusebius Pantja Pramudya		
17	PPP-AP Expert	M. Farman Izhar	Fiscal Risk Analysis	MOF DG Budget
18	Sr. CGE Expert (Int'l)	Mark Horridge	Update of IndoTERM CGE Model	Bappenas
19	CGE Expert (Int'l)	Elizabeth Louise Roos		
20	Sr. CGE Expert	Arief Anshory Yusuf		
21	IT SQL Expert	Erlangga Bayu Setyawan	Task Force for Budget Reform on MSME 2	MOF DG Budget
22	Sr. Industrial Economist	Poppy Ismalina		
23	MSME Expert	Nurul Indarti		

NO	TITLE	NAME	ACTIVITY	COUNTERPART
24	Sr. Gender Budget Expert (Int'l)	Janet Stotsky	Gender Responsive Budgeting	Bappenas
25	Gender Expert	Novita Anggraeni		
26	Sr. Fiscal Policy Expert	Artidiatun Adji	Tax Expenditure Analysis	Bappenas
27	Fiscal Policy Expert	Nailul Huda		
BEE				
28	Blended Finance Expert	Raymond Bona Tua	Blended Financing Study	USAID
29	Sr. Cooperative Expert	Ahmad Subagyo	Cooperative Liquidity Study	Ministry of Cooperatives and SMEs
30	Discussant: Cooperative Oversight Expert	I. Wayan Dipta		
31	Discussant: Cooperative Finance Expert	Andy Arslan Junaidi		
32	Discussant: Cooperative Modernization Expert	Meliadi Sembiring		
33	Regulatory Impact Trainer (Int'l)	Roman Ladus	RIA Training	Ministry of Cooperatives and SMEs
34	Regulatory Impact Trainer	Frida Rustiani		
35	Regulatory Impact Trainer	Boedi Rheza		
36	Sr. Cooperative Expert	Ahmad Subagyo	Cooperative Modernization	Ministry of Cooperatives and SMEs
37	Cooperative Research Assistant	Alberta Cahya Pertiwi		
38	Discussant: Microfinance Expert	Bagus Aryo		
39	Discussant: Regulatory Expert	Irsyad Muchtar		
40	Discussant: Entrepreneurship Expert	Setyo Heriyanto	Strengthening Cooperative Oversight	Ministry of Cooperatives and SMEs
41	Cooperative Governance Expert	Bambang Wahyudiono		
42	MSME Empowerment Team Leader	Early Rachmawati		
43	Access to Finance Expert	Neng Wiwin	Strengthening PLUT-UMKM	Ministry of Cooperatives and SMEs
44	MSME Business Development Expert	Arya Bagus		
45	MSME Digital Marketing Expert	Fianda Julyantoro		

NO	TITLE	NAME	ACTIVITY	COUNTERPART
46	Local MSME Expert East Java	Fahmi Tibyan		
47	Local MSME Expert South Sulawesi	Siswan		
48	MSME Supply Chain Expert	Boedi Julianto	PPD MSME Supply Chain in South Sulawesi	South Sulawesi Department of Cooperatives and SMEs
49	MSME Assistant	Dian Mayasari		
50	MSME Business Climate Expert	Dewi Meisari Haryanti	Support to MSME Formalization	Ministry of Cooperatives and SMEs
51	MSME Research Assistant	Annisa Anastasya		
52	BEE Expert East Java	Boedi Rheza	SNG Doing Business	Ministry of Cooperatives and SMEs
53	BEE Expert South Sulawesi	Herman Suparman		
54	Trade Economist	Christina Ruth Elizabeth	Support for Rationalization of Non-Tariff Measures (NTM)	CMEA
55	Regulatory Reform Expert–Trade	Catherine Setiawan		
56	Sr. Logistic Expert	Kusmarsetyo	Support to Update the National Logistic System	CMEA
57	Regulatory Reform Expert–Logistic	Ariyo Bimmo Soedjono		
58	BEE Expert	Georgius Joseph Viandrito	Overseeing the Support to Update the National Logistic System, Support for Rationalization of NTM, SNG Doing Business	CMEA, Ministry of Cooperatives and SMEs
59	Sr. Export Logistic (Int'l)	Jose Tongzhon	Streamlining Export Logistics	Bappenas
60	Export Logistic Expert	Barli Suryanta		
OTHER				
61	MEL Specialist	M. Aulia Rahman		
62	MEL Specialist	Edward Parulian Hutabarat		
63	Communication Expert	Rully Prasetya		
64	Communication Expert	Muhammad Karim Wirasaputra		
65	Content Creator	Sarah Sullivan	Economic Monitoring	

ANNEX I. PROGRESS AGAINST THE WORKPLANS

Table 5. Progress against workplans

TITLE	COUNTERPART	DELIVERY ACCORDING TO WORKPLAN	STATUS AS OF SEPTEMBER 30, 2021, AND IDENTIFIED PROBLEM
PFM			
October 2020–March 2021			
A High-Level Review of Tax System in Indonesia	Internal	July 2020	Completed. Report delivered to USAID in October 2020
Support for MOF TF–MSME - I	MOF DG Budget	April 2021	Completed. Report delivered in February 2021
Regional Macroeconomic Forecasting Model	Bappenas	March 2021	Completed. Training delivered on April 22–23, 2021
Follow Up CBA Application	MOF DG Budget	March 2021	Completed. Training and manual delivered on March 2021
Follow Up FRA Application	MOF DG Budget	March 2021	Carried over to the next workplan period. This period focused on ensuring buy-in from counterpart
Strengthening DRM: Engagement with DG Tax	-		Canceled. No buy-in from MOF DG Tax, no response to numerous requests for meetings
DRM Support to SNG	Bapenda South Sulawesi	March 2021	Completed. Training delivered on April 7–9, 2021
Review Two Decades Fiscal Decentralization Reform	MOF FPA	March 2021	Ongoing, work carried over to the next workplan period as MOF FPA requested expanded analysis
Updating CGE Model	Bappenas	September 2021	Postponed to the next workplan period as Statistics Indonesia delayed the publication of the input-output table needed to update the CGE model
April–October 2021			
Capacity Building on the Follow Up of FRA Application	MOF DG Budget	September 2021	Expected completion revised to October 2021 in the Quarter 3 FY 2021 Progress Report. By end of September, economic model had been presented for

TITLE	COUNTERPART	DELIVERY ACCORDING TO WORKPLAN	STATUS AS OF SEPTEMBER 30, 2021, AND IDENTIFIED PROBLEM
			MOF review. Training will be conducted in November 2021 to adjust to MOF schedule
Review Two Decades Fiscal Decentralization Reform	MOF FPA	May 2021	Expected completion revised to August 2021 in the Quarter 3 FY 2021 Report. By the end of August, EGSA had submitted draft report to MOF FPA. The report is under review and expected to be completed by the end of October. Book launch event is expected by December 2021 to adjust to MOF schedule, which will be attended by MOF high-level officials
Gender-Informed Budgeting	Bappenas	September 2021	Report had been submitted by the end of September. Bappenas requested time extension to incorporate inputs from other GOI agencies. Expected report finalization by the end of October. Workshop is planned in November 2021 to adjust to Bappenas' schedule
Tax Expenditure Effectiveness	Bappenas	September 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By end of September, EGSA had presented inception report to Bappenas, who requested the expansion of scope of work. Completion of activity is estimated in January 2022 to accommodate the expanded scope
Updating CGE model	Bappenas	September 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By the end of September, EGSA had completed the beta model for Bappenas review. Workshop will be held in November 2021 to adjust to Bappenas' schedule
PPD DRM		-	Canceled
Strengthening PFM at Ministry		-	Canceled
MOF MSME Task Force - II	MOF DG Budget	September 2021	Completed. By the end of September, EGSA had presented the final report to the Task Force

TITLE	COUNTERPART	DELIVERY ACCORDING TO WORKPLAN	STATUS AS OF SEPTEMBER 30, 2021, AND IDENTIFIED PROBLEM
BEE			
October 2020–March 2021			
Rapid Research on Blended Finance in Indonesia		October 2020	Completed. Report was submitted to USAID in December 2020
Assessment on the Impact of COVID-19 on Savings and Loan Cooperatives' Liquidity	Ministry of Cooperatives and SMEs	March 2021	Completed. The workshop to deliver the results of the study was conducted on November 17, 2020
Support to Cooperative Modernization	Ministry of Cooperatives and SMEs	March 2021	Completed. Report was submitted to the Ministry in April 2021 and workshop was conducted in April 2021
Regulatory Impact Assessment (RIA) Training	Ministry of Cooperatives and SMEs	March 2021	Completed. Training delivered February 3–5, 2021
Support to the National Logistic Ecosystem (NLE)	CMEA	March 2021	Carried over to the next workplan period as CMEA was focused on issuance of the Job Creation Law
Support Rationalization of International Trade Restrictions and Prohibitions	CMEA	March 2021	Carried over to the next workplan period as CMEA was focused on issuance of the Job Creation Law
Support to Development of Strategy for Mapping Regional Investment Potentials	Ministry of Investment (BKPM)	March 2021	Canceled. BKPM decided not to pursue this initiative despite its initial interest
Desk Study on Ease of Doing Business (EoDB)		November 2020	Canceled following COR advice to pursue implementation
Support on EoDB Reform	CMEA	March 2021	Canceled. No buy-in from GOI despite efforts to engage with various agencies relevant to doing-business indicators
April–October 2021			
Strengthening the Capacity of PLUT-UMKM	Ministry of Cooperatives and SMEs	September 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By end of September, EGSA had delivered trainings and PPDs. Completion report to the Ministry is expected by the end of October

TITLE	COUNTERPART	DELIVERY ACCORDING TO WORKPLAN	STATUS AS OF SEPTEMBER 30, 2021, AND IDENTIFIED PROBLEM
PPD on Strategic MSME Product Supply Chains in South Sulawesi	Department of Cooperatives and SMEs South Sulawesi	August 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By end of September, EGSA had conducted three PPDs. The last PPD will be conducted in October, and report will be finalized by the end of October
Development of Roadmap to Apex Institution	Ministry of Cooperatives and SMEs	September 2021	Carried over to the next workplan period. EGSA modified the method of implementation from sub-contracting to individual consultants and adjusted the scope of work in the next workplan
Strengthening Cooperative Oversight	Ministry of Cooperatives and SMEs	August 2021	Expected completion adjusted to September in the Quarter 3 FY 2021 Progress Report. Completed. Trainings delivered August 23–25 for national Overseers and September 8–10 for SNG Overseers
Promoting IT-Based Operation for Cooperatives	Ministry of Cooperatives and SMEs	August 2021	Expected completion adjusted to September in the Quarter 3 FY 2021 Progress Report. By September, experts had submitted draft report for Ministry review
Improved Business Registration in South Sulawesi and East Java	Ministry of Cooperatives and SMEs	September 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By September, experts were finalizing the report, which will be submitted for review by the end of October
Rationalization of NTMs	CMEA	September 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By September, experts were finalizing the report, which will be submitted for review by the end of October
Updating the National Logistics System Action Plan	CMEA	September 2021	Expected completion adjusted to October in the Quarter 3 FY 2021 Progress Report. By September, experts were finalizing the report, which will be submitted for review by the end of October
Strengthening Business Environment for Foreign Direct Investment (FDI)		August 2021	Canceled
MSME Formalization (added in the Quarter 3 FY 2021 Progress Report)	Ministry of Cooperatives and SMEs	October 2021	Findings and policy recommendations presented in September. Experts are finalizing report to incorporate input from stakeholders

ANNEX 2. ACTIVITY LOCATION INFORMATION

Table 6. Activity location

NO	ACTIVITY	TIME	PROVINCE	CITY/DISTRICT	NOTE
PFM					
1	CBA	March 2021	West Java	Bogor	Location of the workshop
2	Strengthening SNG Revenue Policy	April 2021	South Sulawesi	Makassar	Location of the workshop
3	Regional Macroeconomic Forecasting Model	April 2021	West Java	Bandung	Location of the training
BEE					
1	Cooperative Liquidity Study	October 2020	East Java	Pacitan	Location of respondents
2	Cooperative Liquidity Study	October 2020	South Sulawesi	Bulukumba	Location of respondents
3	Cooperative Liquidity Study	November 2020	Central Java	Semarang	Location of the workshop
4	Regulatory Impact Assessment (RIA) Training	February 2021	West Java	Bogor	Location of the training
5	Cooperative Modernization Study	April 2021	East Java	Kediri	Location of the FGD to collect data
6	Cooperative Modernization Study	April 2021	South Sulawesi	Makassar	Location of the FGD to collect data
7	Cooperative Modernization Study	April 2021	West Java	Bogor	Location of the workshop
8	Cooperative Oversight	August 2021	West Java	Bogor	Location of the training
9	MSME Formalization	August 2021	South Sulawesi	Makassar	Location of the FGD to collect data
10	Strengthening PLUT-UMKM	August 2021	South Sulawesi	Makassar	Location of the training
11	Strengthening PLUT-UMKM	August 2021	South Sulawesi	Makassar	Location of the beneficiary of capacity building
12	MSME Formalization	September 2021	West Java	Bogor	Location of the FGD
13	Strengthening PLUT-UMKM	September 2021	East Java	Batu	Location of the training
14	Cooperative Oversight	September 2021	South Sulawesi	Makassar	Location of the training
15	Cooperative Oversight	September 2021	South Sulawesi	Makassar	Location of the beneficiary of capacity building

Table 7. Activity Location: GIS Template

IMPLEMENTING MECHANISM/ ACTIVITY	TASK	AWARD NUMBER	IMPLE- MENTING PARTNER	START DATE	END DATE	NATION WIDE	LOCATION	PROVINCE	DISTRICT	SITE VISIT	LONGITU DE	LATITU- DE	PRECI- SION CODE
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	09/28/20	10/01/20	No	Pacitan	JAWA TIMUR	Kabupaten Pacitan	No	111.09969	-8.19556	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	10/12/20	10/15/20	No	Bulukumba	SULAWESI SELATAN	Kabupaten Bulukumba	No	120.20511	-5.43293	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	11/17/20	11/17/20	No	Semarang	JAWA TENGAH	Kota Semarang	No	110.41666	-6.96666	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	2/3/21	2/5/21	No	Bogor	JAWA BARAT	Kota Bogor	No	106.80604	-6.59715	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	3/25/21	3/26/21	No	Bogor	JAWA BARAT	Kota Bogor	No	106.80604	-6.59715	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	4/5/21	4/6/21	No	Kediri	JAWA TIMUR	Kota Kediri	No	112.01186	-7.82284	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	4/7/21	4/9/21	No	Makassar	SULAWESI SELATAN	Kota Makassar	No	119.43273	-5.14767	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	4/9/21	4/10/21	No	Makassar	SULAWESI SELATAN	Kota Makassar	No	119.43273	-5.14767	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	4/22/21	4/23/21	No	Bandung	JAWA BARAT	Kota Bandung	No	107.61912	-6.91746	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	4/30/21	4/30/21	No	Bogor	JAWA BARAT	Kota Bogor	No	106.80604	-6.59715	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	4/9/21	5/31/21	No	Makassar	SULAWESI SELATAN	Kota Makassar	No	119.43273	-5.14767	3

IMPLEMENTING MECHANISM/ ACTIVITY	TASK	AWARD NUMBER	IMPLE- MENTING PARTNER	START DATE	END DATE	NATION WIDE	LOCATION	PROVINCE	DISTRICT	SITE VISIT	LONGITU DE	LATITU- DE	PRECI- SION CODE
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	8/23/21	8/25/21	No	Bogor	JAWA BARAT	Kota Bogor	No	106.80604	-6.59715	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	8/26/21	8/26/21	No	Makassar	SULAWESI SELATAN	Kota Makassar	No	119.43273	-5.14767	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	8/26/21	9/3/21	No	Makassar	SULAWESI SELATAN	Kota Makassar	No	119.43273	-5.14767	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	9/6/21	9/17/21	No	Batu	JAWA TIMUR	Kota Batu	No	112.52390	-7.86710	3
Economic Growth Support Activity	72048719F00006	7200AA18D00010	DevTech Systems, Inc	9/20/21	9/20/21	No	Bogor	JAWA BARAT	Kota Bogor	No	106.80604	-6.59715	3